

M I N N E S O T A

ECONOMIC DEVELOPMENT

Resource Guide

2021 EDITION



EMPLOYMENT AND
ECONOMIC DEVELOPMENT

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Export Assistance

Our Regional Trade Managers (RTMs) in the Minnesota Trade Office (MTO) guide companies through the challenges of conducting international business and have answers for their most pressing questions.

Regional Trade Managers provide:

- ✓ Basic guidance for companies new to exporting
- ✓ Technical, regulatory and logistical information for more experienced companies
- ✓ Market intelligence and research
- ✓ Help with the art of conducting business across borders and cultures

The MTO offers educational seminars, workshops and export promotional events. **See page 43 for details.**

Minnesota-based companies interested in export promotional events may also use the services of our foreign offices — consultations must be arranged through our Minnesota-based staff.

In addition, the MTO serves as the Minnesota Office of Protocol, ensuring the State's appropriate diplomatic etiquette and practices, and serving as the State's liaison with the diplomatic community – the Minnesota Consular Corps.

Eligibility

The Trade Office provides the training and expertise that small and midsize companies need to export goods and services successfully worldwide.

For more information

mn.gov/deed/trade

Launch Minnesota

Launch Minnesota is a statewide collaborative effort to accelerate startups and amplify Minnesota as a national leader in innovation. It works with a statewide Advisory Board and private sector stakeholders.

Launch Minnesota offers a series of Innovation Grants to entrepreneurs and startups for business operations expenses, housing/child care expenses, and research and development. See page 11 for details. It also offers Education Grants to organizations that support innovative startups.

Launch Minnesota Education Grants

Education grants are used to support the start and scale of startups through organizations that promote statewide collaboration, and networking services. DEED has six economic development regions; at most, one grant will be awarded per region.

Eligibility

Organizations with experience and success in providing:

- educational programming and experience advancing high-technology businesses
- outreach to and collaboration with businesses, federal and state agencies, institutions of higher education, trade associations and other organizations working to advance the state's innovation ecosystem

For more information

LaunchMinnesota.org

Location and Expansion Assistance

If you're looking to expand an existing business, relocate from another state or country, or need guidance for a complex startup, expansion or relocation, the Department of Employment and Economic Development (DEED) can help. DEED consultants have the right background, information and connections to other state and local agencies to help turn your plans to reality.

Business Development Managers

DEED business development managers are stationed in the Twin Cities metro area and key regions throughout the state. They work closely with companies of all types to help them locate and expand in communities throughout Minnesota. These services may include:

- ✓ Industry specialist initiatives
- ✓ Comprehensive site selection
- ✓ Project management

mn.gov/deed/ed/location-expansion/assistance

Office of Foreign Direct Investment

Foreign Direct Investment assistance is available to facilitate and expedite the location and operational process for businesses originating outside of the U.S.

In addition to DEED staff, the state has offices and staff in key markets to help foreign companies explore business startup, expansion, and relocation opportunities in Minnesota.

mn.gov/deed/fdi

For more information

CompareMN.com

BUSINESS DEVELOPMENT

Minnesota Business First Stop

Minnesota Business First Stop streamlines the development process for complex business startups, expansions or relocations that involve financing, licensing, permitting and regulatory issues that overlap multiple state agencies.

The Right People, the Right Answers, the Right Time

We take the confusion out of starting, expanding or relocating a complex business in Minnesota by helping to coordinate all state agencies that have a role in the development process.

Licensing, permitting and regulatory matters. Financial assistance. Site selection and more. The First Stop Team cuts through the thicket of state agencies, programs and services to find the right answers and the right resources to make your project happen quickly and successfully.

First Stop Team Partners

Minnesota Business First Stop is managed by DEED and includes representatives from these state agencies:

- ✓ Agriculture
- ✓ Commerce
- ✓ Employment and Economic Development
- ✓ Iron Range Resources and Rehabilitation
- ✓ Labor and Industry
- ✓ Natural Resources
- ✓ Pollution Control
- ✓ Revenue
- ✓ Transportation

For more information

mn.gov/deed/firststop

Minnesota Marketing Partnership

This public-private partnership works together to develop a broad-based marketing initiative to promote Minnesota and its business economy at local, regional and national venues. Your input helps influence and shape Minnesota's economic development marketing strategy.

As a Minnesota Marketing Partnership partner, you can leverage your marketing dollars and help increase Minnesota's visibility to site selectors and corporate real estate managers statewide, regionally and nationally.

You also increase the visibility of your community, organization or region by participating as a sponsor in the various events and activities offered throughout the year.

The Business Development Office administers the partnership.

Join the Minnesota Marketing Partnership

The Minnesota Marketing Partnership is an annual membership effective Jan. 1 to Dec. 31 of each calendar year.

For more information

mn.gov/deed/business/help/mn-marketing

Small Business Assistance

The Small Business Assistance Office provides the in-depth information that is so crucial to business success yet too costly for many business people to obtain on their own.

The office offers individual consultation services along with a comprehensive series of business guidebooks.

Consultants field all kinds of inquiries, ranging from complex tax, regulatory, financial, managerial and business structure to basic questions, such as:

- ✓ What are the tax consequences of forms of business organizations?
- ✓ What license or permits will I need?
- ✓ How do federal and state securities laws affect raising business capital?

Eligibility

In general, these services are available to any business with fewer than 500 employees.

For more information

mn.gov/deed/sbao

Small Business Development Centers

The statewide network of Small Business Development Centers (SBDCs) provides the professional expertise and guidance that every small business owner needs to flourish in today's competitive and ever-changing business world.

SBDCs provide:

- ✓ One-on-one professional and confidential business consulting at no-cost
 - » Pre-venture businesses — Entrepreneurship readiness assessments, business planning assistance, buying or selling a business
 - » Startup businesses — Getting started, bookkeeping and accounting help, marketing assistance, website development and using social media, financial analysis
 - » Established businesses — Managing business expansion and growth, improving cash flow, succession planning, international trade, turnaround assistance for struggling businesses
- ✓ Assistance in accessing capital. We can help to identify and secure financing from traditional and non-traditional sources
- ✓ Training programs. We provide training programs at a nominal cost on every subject pertinent to owning and operating a business

Eligibility

In general, these services are available to any business with fewer than 500 employees.

For more information

mnsbdc.com

Business Development Competitive Grants

Business Development grants are awarded to nonprofit or public organizations that will implement projects and programs to support the startup, growth, and success of Minnesota's entrepreneurs and small business owners through the delivery of high-quality free or low-cost professional business development and technical assistance services. Grant awards are prioritized toward organizations that serve targeted populations and/or businesses that include, but are not limited to, minority-owned businesses, Indian-owned businesses, veteran-owned businesses, women-owned businesses, businesses owned by individuals with disabilities, technology-based businesses, and entrepreneurs and businesses located in Greater Minnesota.

Eligibility

501(c)3 nonprofit organization or public entity having experience and success in providing business development assistance and services to entrepreneurs and small businesses.

For more information

mn.gov/deed/bdcg

Emerging Entrepreneur Loan Program

The program supports the growth of businesses owned and operated by minorities, low-income persons, women, veterans and/or persons with disabilities.

DEED provides funding to certified nonprofit partners to make loans to these Minnesota businesses throughout the state. The program is designed to encourage private investment, provide jobs for minority and low-income persons, create and strengthen minority business enterprises, and promote economic development in low-income areas.

Eligibility

Startup and expansion costs, including normal expenses such as machinery and equipment, inventory and receivables, working capital, new construction, renovation and site acquisition, are eligible for the program. Finance of existing debt is not permitted. Private match of programs funds is required.

Businesses in most industries are eligible. However, a retail business is only eligible if it is a beginning microenterprise, defined as businesses that have fewer than five employees and have generated sales revenue for two years or less.

Businesses should apply directly with a certified lender. Once the lender approves the loan, they will forward the loan package to DEED for approval by the commissioner and disbursement of funds for the project.

For more information

mn.gov/deed/business/financing-business/deed-programs/elp

BUSINESS LOANS & GRANTS

Indian Business Loan Program

This program supports the development of Indian-owned and operated businesses and promotes economic opportunities for Indian people throughout Minnesota.

Loan proceeds may cover startup and expansion costs, including normal expenses such as machinery and equipment, inventory and receivables, working capital, new construction, renovation and site acquisition.

Eligibility

Applicants must be enrolled members of a federally recognized Minnesota-based band or tribe. Businesses must be wholly owned by an enrolled member and can be located anywhere in the state, although most of the loans are made to businesses on a reservation.

Owners must provide a portion of the financing needed to undertake the project. Financing of existing debt is not permitted.

For more information

mn.gov/deed/business/financing-business/deed-programs/indian

Launch Minnesota Innovation Grants

Launch Minnesota innovation grants are targeted to the most promising scalable technology startups. They're awarded on a competitive, ongoing basis and include:

- ✓ Business operations expenses: up to \$35,000
- ✓ Housing/child care expenses: up to \$7,500
- ✓ SBIR/STTR Phase 2 recipients: up to \$50,000

Eligibility

- ✓ high-tech industry
- ✓ headquartered and operating in Minnesota
- ✓ operating no more than 10 years
- ✓ generating less than \$1 million in revenue
- ✓ 1 to 1 financial match

For more information

LaunchMinnesota.org

BUSINESS LOANS & GRANTS

Minnesota Investment Fund

This program provides up to \$1 million in financing to help add new workers and retain high-quality jobs. The program focuses on industrial, manufacturing and technology-related industries and aims to increase the local and state tax base and improve economic vitality.

Eligibility

Funds are awarded to local units of government that provide loans to assist expanding businesses. Cities, counties, townships, selected economic development organizations and recognized Indian tribal governments are eligible. Local government submits an application on behalf of the expanding business.

All projects must meet minimum criteria for private investment, number of jobs created or retained and wages paid.

At least 50 percent of total project costs must be privately financed through owner equity and other lending sources.

The expenditures financed by Minnesota Investment Fund and match must not have been completed.

Local Loan Funds

Over the years, many communities that participated in MIF have created local revolving loan funds that complement MIF loans. These loan programs are accessed directly through the local government.

For more information

mn.gov/deed/business/financing-business/deed-programs/mif

Minnesota Job Creation Fund

This program provides financial incentives to new and expanding businesses that meet certain job creation and capital investment targets.

Companies deemed eligible to participate may receive up to \$1 million for creating or retaining high-paying jobs and for constructing or renovating facilities or making other property improvements. For extremely large projects, companies may be eligible to receive up to \$2 million. Award amounts depend on job creation and investment levels.

Eligibility

The program is available to businesses engaged in select industries including manufacturing, warehousing, distribution and technology-related industries, among others. Business submits an application which must include local government support documents.

To be eligible, the business must meet requirements including:

- ✓ Invest at least \$500,000 in real property improvements and create at least 10 full-time jobs if the business is located in the Twin Cities area
- ✓ Invest at least \$250,000 in real property and create at least 5 full-time jobs if the business is located in Greater Minnesota or owned by minorities, women, veterans or persons with disabilities
- ✓ Meet wage and compensation requirements
- ✓ Have other location options outside of Minnesota
- ✓ Operate in an eligible industry and project has not started

For more information

mn.gov/deed/business/financing-business/deed-programs/mn-jcf

BUSINESS LOANS & GRANTS

Minnesota 21st Century Fund

This program makes loans or equity investments in innovative mineral, steel, or other industry processing, production, manufacturing, or technology projects located in the taconite relief tax area.

Loans or equity investments from the fund require matching investments from facility owners. For facilities in the state's taconite tax relief area, the Iron Range Resources and Rehabilitation Board may match the fund's investment.

Eligibility

Owners of innovative processing, production, manufacturing, or technology facilities are eligible.

For more information

mn.gov/deed/business/financing-business/deed-programs/minerals

Minnesota Reservist and Veteran Business Loan Program

This program provides loans to companies that are affected when certain employees are called to active military duty. It also gives loans to individual veterans who have returned from active duty and want to start their own business.

The program provides one-time, interest-free loans of \$5,000 to \$20,000.

Eligibility

Business loans are for existing small businesses that have an essential employee called to active service in the military reserves for 180 days or longer on or after September 11, 2001. The business must be injured substantially due to the employee's absence.

Startup loans are for veterans who were on active duty on or after September 11, 2001, seeking financial assistance to start their own businesses.

For more information

mn.gov/deed/business/financing-business/deed-programs/reservists

BUSINESS LOANS & GRANTS

STEP Grant Program: Export Assistance

This matching grant program provides financial and technical assistance to qualifying small and medium-sized businesses with an active interest in exporting products or services to foreign markets.

Participants may be first-time exporters or companies that are currently exporting but are interested in expanding into new international markets.

Financial Assistance Available

Minnesota businesses may apply for reimbursement of up to \$500* for export training or up to \$7,500* for approved export-development activities, including:

- ✓ Participation in trade missions
- ✓ Exhibiting at trade shows or industry-specific events
- ✓ Translation of marketing materials
- ✓ Development of foreign language websites
- ✓ Gold Key or other business matchmaking services
- ✓ Company-specific international sales activities
- ✓ Testing and certification (such as CE marking) required to sell products in foreign markets

* Amount is subject to change.

Eligibility

Activities must be pre-approved in order to be eligible for reimbursement. Companies MAY NOT APPLY for reimbursement for activities or payments that have already taken place.

To apply, visit the DEED website for the application form, instructions and complete eligibility requirements.

For more information

mn.gov/deed/business/exporting/export-financing

BUSINESS LOANS & GRANTS

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BUSINESS LOANS & GRANTS

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Angel Tax Credit

This program provides tax incentives to investors or funds that invest in startup businesses that are primarily focused on high technology or new proprietary technology.

Key features of the refundable Angel Tax Credit include:

- ✓ A 25 percent tax credit for investments in small, emerging businesses
- ✓ A maximum credit of \$125,000 per person per year (\$250,000 if married filing jointly)
- ✓ Portion of credits reserved for investments in women-owned and minority-owned businesses and firms located outside the Twin Cities metro area

Eligibility

Four types of businesses qualify for angel investments:

- ✓ Those using proprietary technology to add value to a product, process or service in a qualified high-technology field
- ✓ Those researching or developing a proprietary product, process or service in a qualified high-technology field
- ✓ Those researching, developing or producing a new proprietary technology for use in agriculture, tourism, forestry, mining, manufacturing or transportation
- ✓ Those researching or developing a proprietary product, process or service for use in agriculture, tourism, forestry, mining, manufacturing or transportation

Additional requirements apply.

For More Information

mn.gov/deed/angelcredit

TAX CREDITS & BENEFITS

Border Cities Enterprise Zone Program

This program provides tax credits to qualifying businesses that are the source of investment and job creation or retention in the cities of Breckenridge, Dilworth, East Grand Forks, Moorhead, Ortonville and Taylors Falls. Tax benefits include property tax credits, debt financing credit on new construction, sales tax credit on construction equipment and materials, and new or existing employee credits.

Eligibility

Businesses locating or existing in those cities are eligible, unless they are:

- ✓ Recreation or entertainment facilities
- ✓ Owned by a fraternal or veterans organization
- ✓ Owned by a public utility
- ✓ Used in operation of a financial institution
- ✓ Owned by a retail food or beverage service business operating under a franchise agreement requiring the business to be located in the state

For more information

mn.gov/deed/business/financing-business/tax-credits/border-cities/index.jsp

Data Centers

This program provides sales tax exemptions to businesses that build or refurbish data centers. The 20-year sales tax rebate applies to the purchase of computers, servers, cooling and energy equipment, energy use and software.

Eligibility

Companies building *new* data or network operation centers of at least 25,000 square feet must invest at least \$30 million in the first four years to qualify for the tax break.

Companies refurbishing *existing* data or network operation centers of at least 25,000 square feet must invest \$50 million in the first two years to qualify for the tax break.

For more information

mn.gov/deed/datacenter

TAX CREDITS & BENEFITS

Foreign Trade Zones (FTZs)

Foreign Trade Zones (FTZs) provide two major benefits that can save businesses time and money: Minimization of duty/import user fees and quicker supply chains. They can help businesses reduce or eliminate duty payments and merchandise processing fees, accelerate global supply chains, and improve their competitive position in domestic and foreign markets.

FTZs are commerce sites set up in or near U.S. Customs ports of entry where merchandise is considered legally outside U.S. Customs territory. They are generally used for storage, testing, cleaning, processing, assembling, manufacturing, re-labeling, repackaging, displaying, exhibition and repairing of merchandise.

Minnesota has three FTZs:

- ✓ Greater Metropolitan Area Foreign Trade Zone (GMAFTZ)
- ✓ Duluth Seaway Port Authority Foreign Trade Zone
- ✓ International Falls Foreign Trade Zone

DEED's Business Development Office administers the GMAFTZ. Minnesota's FTZs have magnet site locations that offer businesses leased storage or distribution space that can be quickly brought on line.

In addition, businesses anywhere in the state can establish a subzone or usage-driven site at their facility.

For more information

mn.gov/deed/ftz

Greater Minnesota Job Expansion Program

This tax refund program provides sales tax rebates to existing businesses located in Greater Minnesota that are approved by DEED and meet job creation, wage levels and other eligibility requirements.

Eligibility

Businesses must meet program requirements including:

- ✓ Have operated for at least one year in Greater Minnesota
- ✓ Meet wage and compensation requirements
- ✓ Will add at least two employees or 10 percent of current staff, whichever is greater, within three years
- ✓ Meet industry eligibility including not being engaged in retail, gambling, entertainment, among many other industries
- ✓ Demonstrate that the expansion wouldn't occur without assistance
- ✓ Have a significant share of sales from the facility to non-Minnesota customers

For more information

mn.gov/deed/business/financing-business/tax-credits/greater-mn-job-expansion

TAX CREDITS & BENEFITS

Research and Development Tax Credit

If your business paid certain research and development (R&D) expenses in Minnesota, you may qualify for the Credit for Increasing Research Activities.

The R&D credit is equal to 10 percent of qualifying expenses up to \$2 million, and 4 percent for expenses above that level. Qualifying expenses are the same as for the federal R&D credit — defined in Section 41 of the Internal Revenue Code — but must be for research done in Minnesota.

Examples include R&D-related wages, supplies and research contracted outside your business. Contributions to qualified nonprofit organizations that make grants to early-stage technology businesses in Minnesota also may qualify.

S corporations, partnerships and C corporations are eligible to claim the credit.

For more information

Contact the Minnesota Department of Revenue at 651.556.3075 or email:

businessincome.tax@state.mn.us

Single Sales Factor Apportionment

Apportionment formulas determine how much of a business's income is taxable in a state. Many states apportion corporate income using the in-state proportions of the corporation's sales, payroll and property to determine corporate franchise tax. Minnesota uses only sales in-state to apportion corporate income.

Single sales apportionment is beneficial to Minnesota businesses whose Minnesota sales factor is lower than the average of their Minnesota property and payroll factors.

All other things being equal, increasing non-Minnesota sales will reduce the amount of Minnesota taxable income, since more income will be attributed to or apportioned outside of Minnesota.

Throwback

Over half of the states with corporate taxes also use "throwback rules" in defining the sales factor. Throwback rules treat sales to out-of-state buyers as in-state sales, if the buyer's state cannot tax the business/seller or if the purchaser is a federal government agency. These "thrown-back" sales increase in-state sales factor and corporate tax, decreasing the benefits to the taxpayer of single sales apportionment. Minnesota does not have a throwback rule.

Greater Minnesota Internship Tax Credit Program

Eligible employers may claim a refund credit of up to \$2,000 for each internship provided to an eligible student in Greater Minnesota.

TAX CREDITS & BENEFITS

Tax Increment Financing

Cities, counties and development authorities often use Tax Increment Financing (TIF) to help finance project costs. TIF is used to encourage private development and to pay for public improvements, such as streets, sidewalks, sewer and water, and similar public infrastructure improvements that are related to the development.

Tax Abatement

Local governments may use property tax abatement to help finance certain economically beneficial projects. Property taxes are forgiven for a period of time. Or the taxes are captured for a period of time and an up-front payment is made to help with project costs.

Personal Property Exemption

In Minnesota, only real property such as land and buildings, is taxable. Personal property is exempt from the property tax. Anything that is not real property is personal property. The main characteristic of personal property is that it is movable without causing damage to itself or the real estate.

Capital Equipment Exemption

Businesses that buy or lease qualifying capital equipment (machinery and equipment used in manufacturing) for use in Minnesota are eligible for an up-front exemption from Minnesota state and local sales or use.

[illegible]

TAX CREDITS & BENEFITS

Airport Infrastructure Renewal Grant Program

This program helps counties, airport authorities, or cities to redevelop or construct new facilities, or infrastructure, including broadband, necessary for airport infrastructure renewal economic development projects.

It provides up to 50 percent of the capital costs of a facility or infrastructure necessary to keep or enhance jobs, increase tax base, and expand or create new economic development.

Eligibility

Eligible applicants are cities and counties located outside of the seven-county metropolitan area and airport authorities.

Eligible projects are expected to use the grant funds for the capital costs of redevelopment of an existing facility or construction of a new facility; and for public and private infrastructure costs, including broadband infrastructure costs, necessary for an eligible airport infrastructure renewal economic development project.

Economic development projects include manufacturing, technology, warehousing and distribution, and research and development.

Retail and office space development are ineligible.

For more information

<https://mn.gov/deed/government/financial-assistance/business-funding/airport/application.jsp>

Border-to-Border Broadband Development Grant Program

This program helps to promote the expansion of access to broadband service in unserved and underserved areas of the state.

Grants will be awarded for last mile or middle mile broadband infrastructure acquisition and installation. The infrastructure deployed through the project must be scalable to broadband speeds of at least 100 Mbps download and upload. A grant awarded to a single project may not be for more than 50 percent of the project cost and not exceed \$5 million.

Eligibility

Eligible applicants include an incorporated business or partnership, a political subdivision, an Indian tribe, a Minnesota nonprofit organized under state law, or a Minnesota limited liability corporation organized under state law for the purpose of expanding broadband access.

For more information

mn.gov/deed/programs-services/broadband/grant-program/index.jsp

Cleanup Revolving Loan Program

This program provides low-interest loans through the U.S. Environmental Protection Agency to clean up contaminated sites that can be returned to marketable use.

Loans may pay for contamination cleanup. A 22% match is required.

Eligibility

Cities, counties, developers, economic development authorities, housing redevelopment authorities, port authorities, and for-profit and nonprofit organizations are eligible.

To qualify for financing:

- ✓ Applicants must own or demonstrate legal control of the site to be developed
- ✓ The site must be enrolled in the appropriate Minnesota Pollution Control Agency Voluntary Cleanup Program
- ✓ The site must have a pre-approved Response Action Plan for cleanup of contamination defined by state law
- ✓ The applicant cannot have caused or worsened the contamination

For more information

mn.gov/deed/government/financial-assistance/cleanup/cleanuprevolvingloanprogram.jsp

COMMUNITY FINANCING

Contamination Cleanup and Investigation Grant Program

This program helps communities pay for assessing and cleaning up contaminated sites for redevelopment.

The program assists development authorities in contamination investigations, and the development of Response Action Plans (RAPs) and cleanup of contamination. Grants are awarded to those sites where there is planned redevelopment.

Contamination Cleanup grants pay for up to 75 percent of the costs of cleaning up contaminants (defined under state law) or petroleum contamination not eligible for reimbursement under Minnesota's Petrofund.

Eligibility

Cities, counties, or economic development authorities, port authorities, housing and redevelopment are eligible. Both publicly- and privately-owned sites with known or suspected soil or groundwater contamination qualify.

Applications are ranked on several criteria. They include the tax base increase and the number of jobs created resulting from the site cleanup and development.

Applicants must make a 25 percent local match. If they are located in the Twin Cities, they must also participate in the Met Council's Local Housing Incentives programs.

For more information

mn.gov/deed/government/financial-assistance/cleanup/contamination.jsp

Demolition Loan Program

This program helps development authorities with the costs of demolishing blighted buildings on sites that have development potential but where no immediate development plans exist.

The following terms apply:

- ✓ Loans will be low-interest (2 percent)
- ✓ Loans will be interest-free for first two years
- ✓ Principal and interest payments will start in year three
- ✓ Loan terms cannot exceed 15 years

If the site is developed, the remaining principal and interest (up to 50 percent of the loan) could be forgiven based on development benefits.

Eligibility

Eligible applicants are development authorities, including cities, counties, port authorities, housing and redevelopment authorities, and economic development authorities.

Demolition activities, including interior remediation such as asbestos abatement, are eligible. Loans would pay up to 100 percent of demolition costs for a qualifying site. The loans may also assist with site acquisition costs.

Property and buildings must be publicly owned.

For more information

mn.gov/deed/government/financial-assistance/cleanup/demolition.jsp

COMMUNITY FINANCING

Greater Minnesota Business Development Infrastructure Grant Program

This program helps stimulate new economic development, create new jobs and retain existing jobs through investments in public infrastructure.

It provides grants to cities of up to 50 percent of the capital costs of the public infrastructure necessary to expand or retain jobs in the area, increase the tax base, or expand or create new economic development.

Eligibility

Eligible applicants are statutory or home rule cities outside of the Twin Cities seven-county metropolitan area.

Eligible projects include publicly-owned infrastructure that supports economic development projects, including water and wastewater needs, storm sewers, utility extensions and streets.

Economic development projects include:

- ✓ Manufacturing
- ✓ Technology
- ✓ Warehousing and distribution
- ✓ Research and development
- ✓ Agricultural processing
- ✓ Industrial park development

Retail developments and office space developments are not eligible.

For more information

mn.gov/deed/government/financial-assistance/business-funding/infrastructure/

Innovative Business Development Public Infrastructure Program

This program focuses on job creation and retention through the growth of new innovative businesses and organizations.

The program provides grants to local governmental units on a competitive basis statewide for up to 50 percent of the capital cost of the public infrastructure necessary to expand or retain jobs.

Eligibility

Local governmental units (cities, counties, townships, special districts, or other political subdivisions or public corporations) are eligible to apply for a grant.

A local match may be required depending on the cost of the project.

Projects must involve publicly-owned infrastructure related to a development project, or research park development that would be used by an innovative business that is engaged in proprietary technology.

Funds from this program can also be used for land acquisition and preparation, telecommunications, bridges, parking ramps, demolition, hazard remediation, predesign, construction, equipment and furnishings.

For more information

mn.gov/deed/government/bdpi

COMMUNITY FINANCING

Redevelopment Grant Program

This program helps communities with the costs of redeveloping blighted industrial, residential or commercial sites and putting land back into productive use.

The program assists development authorities with demolition, infrastructure improvements, stabilizing unstable soil, installing ponding or other environmental infrastructure and interior abatement for adaptive reuse projects.

Grants are awarded to those sites where there is a planned redevelopment.

Grants pay up to half of redevelopment costs for a qualifying site, with a 50 percent local match.

Eligibility

Eligible applicants are cities, counties, port authorities, housing and redevelopment authorities, and economic development authorities. Both publicly and privately owned sites qualify.

Applications are ranked on several criteria. They include the tax base increase and job creation resulting from the redevelopment of the site.

Applicants must make a 50 percent local match to be eligible for grant funds.

For additional qualifications, see DEED's website.

For more information

mn.gov/deed/government/financial-assistance/cleanup/redevelopmentgrantprogram.jsp

Shovel-Ready Site Certification

This program certifies that sites have already completed the most time-consuming technical and regulatory aspects of development including: planning, zoning, surveys, title work, environmental studies, soils analysis and public infrastructure engineering, ownership status, general site information, specific tests and assessments, utility services and transportation access completed prior to putting the site up for sale or lease.

Shovel-ready site certification offers communities a competitive edge by taking much of the time, expense, unpredictability and risk out of development, making the sites more attractive to companies and site-selection consultants looking for locations for business startups, expansions or relocations.

Eligibility

Communities work with DEED to receive shovel-ready certification for sites.

For more information

mn.gov/deed/government/shovel-ready

COMMUNITY FINANCING

Small Cities Development Program

This program provides financial assistance to communities by supporting local economic development including housing, public infrastructure and commercial rehabilitation projects.

The maximum grant award for a Single Purpose project is \$600,000. The maximum grant award for a Comprehensive project is \$1.4 million. The timeline to complete projects is normally 30 months, depending on project size and scope.

DEED receives funding for the program from the U.S. Department of Housing and Urban Development.

There are three categories of funds under the program: housing grants, public facility grants and comprehensive grants, which frequently include housing with a commercial activity or public facility activity.

Eligibility

Cities with fewer than 50,000 residents and counties with fewer than 200,000 residents are eligible. Indian tribal governments and entitlement communities that receive funds directly from HUD are ineligible.

Proposed projects must meet one of three federal objectives:

- ✓ Benefit people of low and moderate incomes
- ✓ Eliminate slum and blight conditions
- ✓ Eliminate an urgent threat to public health or safety

In addition, need, impact and cost effectiveness must be documented and the general public must be involved in the application process.

For more information

mn.gov/deed/government/financial-assistance/community-funding/small-cities.jsp

Transportation Economic Development Infrastructure Program (TEDI)

TEDI is a competitive grant program available to communities for public infrastructure and road projects that create jobs, support economic development and improve the transportation system. Funds may be used to fund predesign, acquisition of land, construction, reconstruction, and infrastructure improvements in coordination with trunk highway improvements under taken by MnDOT.

TEDI is a collaboration with MnDOT's Transportation Economic Development program (TED). TED may provide up to 70 percent of the costs for trunk highway improvements while TEDI provides grants to assist with projects non-trunk highway costs of projects.

Eligibility

Eligible applicants must be local units of government. Although private entities are not eligible, they may enter into agreements with eligible borrowers to request funding for eligible projects.

Matching funds from the applicant may come from other federal, state, local and private funding sources.

For more information

mn.gov/deed/ted

COMMUNITY FINANCING

WORKFORCE DEVELOPMENT & TRAINING

CareerForce Locations

At CareerForce locations throughout Minnesota, employers can get assistance with a broad range of workforce services. CareerForce is led by a partnership of DEED, the Governor's Workforce Development Board and Minnesota Association of Workforce Boards, in partnership with other workforce organizations in the state. Services include hiring events, talent attraction and recruitment, space for candidate screenings, workforce strategy consultation, labor market information, employer seminars, disability employment services, help hiring veterans, workplace inclusion assistance and more.

CareerForce also provides connections to resources to help with customized workforce training, foreign labor, grant opportunities, layoff aversion, unemployment insurance, work opportunity tax credits, federal bonding, and other assistance.

[CareerForceMN.com](https://www.careerforcemn.com)

CareerForceMN.com is a website offering personalized tools to Minnesota employers. With a no-fee account, businesses can create a profile page to attract potential job candidates and can access customized regional data on employment, wages, occupational demand and more. Job postings approved for the national labor exchange display on CareerForceMN.com and listings are updated daily.

[MinnesotaWorks.net](https://www.minnesotaworks.net)

Minnesota employers can sign up for a no-fee account on MinnesotaWorks.net to post their job openings on the site. Jobs posted on MinnesotaWorks.net display on the national labor exchange and also show up on CareerForceMN.com. Plans are being developed to integrate the job bank feature of MinnesotaWorks.net into CareerForceMN.com.

For more information

[CareerForceMN.com](https://www.careerforcemn.com)

WORKFORCE DEVELOPMENT & TRAINING

Dual Training Competency Grants

The Dual Training Program is a collaborative of the Minnesota Department of Labor and Industry (DLI), The Office of Higher Education (OHE) and DEED. The Program will provide grants to employers or organizations representing the employer to train employees in achieving the competency standard for an occupation identified by the Commissioner of DLI.

Dual training intends to build on the PIPELINE Project at DLI which convened four industry councils with representatives from higher education, industry, labor and employers. The councils develop competency standards and identify models Minnesota's education providers can use to develop the training needed to meet the competency standards. To date, the four industries councils include advanced manufacturing, information technology, agriculture and healthcare services.

Eligibility

Employers or organizations representing employers to train employees in a competency standard identified by the DLI. The maximum grant is \$150,000 per application based on a maximum of \$6,000 per trainee. Matching funds may be required.

For more information

doli.state.mn.us/Pipeline.asp

Export Education and Training Services

Minnesota Trade Office (MTO) is staffed by experts who offer seminars and events across the state to help small and mid-sized companies learn how to export goods and services successfully. These training sessions, frequently offered in partnership with other international business specialists, also provide opportunities for networking.

Some seminars are on particular countries or industry sectors, but many have a broader focus. All MTO and International focused events are on the online event calendar.

Minnesota businesses also can make connections around the globe by participating in MTO organized mission trips and delegations to international trade shows. STEP grants can provide funding to qualifying Minnesota businesses to help them develop their export plans. **See page 16 for details.**

Eligibility

Classes are open to everyone. Subscribe to MTO information on DEED's website for a calendar of upcoming seminars and events.

For more information

mn.gov/deed/business/exporting/events

WORKFORCE DEVELOPMENT & TRAINING

Job Training Incentive Program

This program provides grants of up to \$200,000 to new or expanding businesses for the purpose of training new workers as quickly and efficiently as possible. The program is available to businesses located in Greater Minnesota. Grant funds may be used for direct training costs for training provided in-house; by institutions of higher education; by federal, state, or local agencies; or private training or educational providers.

Eligibility

The business must be located in Greater Minnesota.

The new jobs must pay wages at least equal to the median hourly wage for the county in which the jobs are located, plus benefits. The new jobs must also provide at least 32 hours of work per week for a minimum of nine months per year.

The business must be able to demonstrate that its training needs cannot be met through a Minnesota Job Skills Partnership grant.

Additional eligibility and project requirements apply.

For more information

mn.gov/deed/mjsp

Minnesota Job Skills Partnership

The MJSP program works with businesses and educational institutions to train or retrain workers, expand work opportunities and keep high-quality jobs in the state. The goal is to target short-term training for full-time employment in the growth sectors of the state's economy.

MJSP offers grants through a variety of programs to offset training-related expenses incurred by business, industry and educational institutions to meet current and future workforce needs.

The main grant option, the Partnership Program, provides up to \$400,000 for training new workers and existing employees of participating businesses. Other training options include the Pathways Program and the Low-Income Worker Training Program. In addition to its flagship program, MJSP offers assistance to businesses for training low-income individuals.

Eligibility

Training projects pair at least one public or private accredited Minnesota educational institution and one business, with the exception of the Low Income Worker Training Program option. That program provides grants to Minnesota public, private or nonprofit entities that provide employment services to low-income individuals.

Additional eligibility and project requirements apply.

For more information

mn.gov/deed/mjsp

WORKFORCE DEVELOPMENT & TRAINING

SciTechsperience Internship Program

SciTechsperience is a paid internship program that connects college students in science, technology, engineering and math (STEM) disciplines with rewarding hands-on opportunities at small to mid-sized Minnesota companies that need their skills. The focus is on strengthening Minnesota's STEM industries and developing an experienced and well-trained workforce. Businesses receive a dollar-for-dollar cash match up to 50 percent of the intern's wages (\$2,500 maximum), providing a low-cost option for small and medium-sized companies that otherwise would not have access to qualified interns.

Eligibility

Eligible students must be a Minnesota resident or attend college in Minnesota. They must be 18 years of age or older and be in good academic standing. Registration as a second-year tech or community college student or as a junior or senior at a four-year institution is required.

Eligible companies must be for-profit businesses with a physical presence in Minnesota, operating in qualifying industries. They must offer an internship that provides hands-on industry experience, focusing on STEM.

Other eligibility requirements and opportunities apply and are available on the SciTechsperience website.

For more information

scitechmn.org

Workforce Strategy Consultants

CareerForce Workforce Strategy Consultants offer employers workforce solutions tailored to meet specific business needs through a customized consultation process including strategies around hiring, training, and retaining a skilled diverse workforce.

Workforce Strategy Consultants work one-on-one with employers to develop workforce strategies such as fostering an inclusive workplace, community and school collaboration for building talent pipelines, establishing career pathways, labor market analysis, participation in business-led sector partnerships, and accessing grant funding opportunities and tax credits. They also provide referrals to local, regional, and national resources, and support employers with business retention and layoff aversion services in connection with the Rapid Response team.

Eligibility

Workforce strategy consultants are available statewide at no fee to employers.

For more information

careerforcemn.com/workforce-strategy-consultants

STATE AGENCIES + OTHER RESOURCES

The **Minnesota Department of Agriculture** provides funding and information for a variety of food production businesses, including farming, farm machinery, seed supply, food processing, sales and marketing.

mda.state.mn.us

MDA's **Rural Finance Authority** offers low-interest loan programs to farmers for a variety of business activities.

mda.state.mn.us/financebudget/agfinance

The **Minnesota Department of Commerce** provides information on funding options for consumers and business, including low-income programs, grants, loans and rebates.

mn.gov/commerce/industries/energy/financial-assistance

The **Minnesota Pollution Control Agency** has various opportunities available for receiving grants and other financial assistance for environmental projects in Minnesota.

www.pca.state.mn.us/about-mpca/contract-grant-and-loan-opportunities

The **Minnesota Public Facilities Authority** provides municipal financing programs and expertise to help communities build public infrastructure that preserves the environment, protects public health and promotes economic growth.

mn.gov/deed/pfa

MINNESOTA DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT

Steve Grove, Commissioner

DEED ECONOMIC DEVELOPMENT DIVISION

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Upon request, this information can be made available in alternate
formats for individuals with disabilities by calling the number above.